

# HARGROVE, SMELLEY & STRICKLAND

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June 9, 2004

THOMAS J. WYATT (1942-1996)

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OF COUNSEL  
WILLIAM G. CONLY

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, SIBLEY  
FIELD, Webster Parish, Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, in the Sibley Field, Webster Parish, Louisiana:

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such unit being shown on the attached plat and being designated CV RA SUH.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate a unit well for, and a unit Operator of, the proposed additional unit as may be appropriate.
4. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 148-K, effective August 19, 1997, to the proposed additional unit.
5. To discuss such other matters as may be pertinent.

The Cotton Valley Formation, Reservoir A, in the Sibley Field, Webster Parish, Louisiana, was defined in Office of Conservation Order No. 148-K, effective August 19, 1997.

Pertinent data concerning this application is available for inspection at the offices of Nelson Energy, Inc., 401 Edwards Street, Suite 1500, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Danny Moreland at (318) 226-0700 during normal



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business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

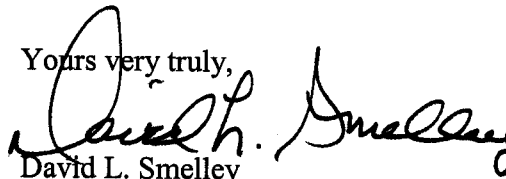
By letter dated May 26, 2004, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and a pre-application conference with respect to Applicant's proposals was tentatively scheduled for June 18, 2004. No request for the pre-application conference was received; therefore, no conference was held.

Attached hereto is a plat outlining Applicant's proposed unit, which is identical to the plat attached to the pre-application notice. Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sibley Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,



David L. Smelley

-- Attorney for Nelson Energy, Inc.

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encl.)  
Mr. Danny Moreland (w/encl.)  
Mr. Joe Adams (w/encl.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plat only)



Police Jury  
1  
10.859'

11

12

17

15

Marlin 14  
Kennon-Treat  
7500'

LL & E  
T. Crichton et al  
11,850'

22

Nelson  
Any Est.

9544'

10,779'

27

B-1  
 9200'  
 El Paso Smith  
 A-1  
 9100'  
 Nelson Coleman  
 1  
 11,100'  
 El Paso Holley  
 A-2  
 9200'  
**CV RA SU B**  
 El Paso Holley  
 1  
 10,865'  
 Huggs Smith  
 1-B  
 9840'  
 El Paso Holley  
 1-A  
 9100'

**PROPOSED  
CRICHTON  
13 #1  
WELL**

EXHIBIT No. 1  
DOCKET No. \_\_\_\_\_  
ORDER No. \_\_\_\_\_

18

19

30

**NELSON ENERGY, INC.**  
SHREVEPORT, LOUISIANA

**SIBLEY FIELD**  
**WEBSTER PARISH, LOUISIANA**  
**PROPOSED COTTON VALLEY**  
**RESERVOIR "A"**  
**SAND UNIT H**

WITNESS: JOE B. ADAMS  
DATE:

A horizontal graphic scale bar with four segments. The segments are labeled from left to right: 0, 2000', 4000', and 1 Mile. The bar is divided into four equal parts by vertical tick marks.

WELLS 7000' OR SHALLOWER ARE REMOVED FROM MAP